



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Financial Audit

*Including the Provisions of the Single Audit Act
October 1, 2001 through September 30, 2003*

**Department of Consumer and Industry
Services (CIS)**

**Report Number:
63-100-04**

**Released:
June 2004**

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Financial Schedules:

Auditor's Report Issued

We issued an unqualified opinion on CIS's financial schedules.

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Internal Control Over Financial Reporting

We did not report any findings related to internal control over financial reporting.

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Noncompliance Material to the Financial Schedules

We did not identify any instances of noncompliance applicable to the financial schedules that are required to be reported under *Government Auditing Standards*.

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 3 programs as major programs and issued 3 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

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Internal Control Over Major Programs

We did not identify any material weaknesses in internal control over major programs. However, we did identify reportable conditions (Findings 1 and 2).

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Required Reporting of Noncompliance

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 1 and 2).

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Systems of Accounting and Internal Control:

We determined that CIS was in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

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Background:

On October 2, 2003, the Governor issued Executive Order No. 2003-18, which renamed CIS as the Department of Labor

and Economic Growth (DLEG). The Executive Order also transferred programs and administrative functions from the Michigan Department of Career Development to DLEG, transferred various federal programs from DLEG to the Department of Community Health and the Family Independence Agency, and transferred programs from the Family Independence Agency to DLEG. Executive Order No. 2003-18 became effective December 7, 2003.

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We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Compliance Opinion</u>
81.041	State Energy Program	Unqualified
93.575	Child Care and Development Block Grant	Unqualified
93.777 and 93.778	Medicaid Cluster	Unqualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General